

AMENDED IN ASSEMBLY APRIL 30, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2698**

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**Introduced by Committee on Local Government (Smyth (Chair),  
Alejo (Vice Chair), Bradford, Davis, Gordon, and Hueso)**

March 21, 2012

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An act to amend Sections 56375, 56425, 56658, 56662, 56827, 56853, 57077, 57102, 57107, ~~and 57113, and 57114.5~~ of, to add Sections 57077.1, 57077.2, 57077.3, and 57077.4 to, ~~and to repeal Sections 56854, 57081, and 57114 of, and to repeal and add Section 56663 of,~~ the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2698, as amended, Committee on Local Government. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the power to approve the annexation of a contiguous disadvantaged community, under specified circumstances. Existing law provides that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the residents within the affected territory are opposed to annexation.

This bill would provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected territory are opposed to annexation.

(2) The act ~~additionally~~ requires the commission to determine the sphere of influence of each local governmental agency within the county, and to enact policies designated to promote the logical and orderly development of areas within the sphere *of influence*.

This bill would instead require the commission to determine the sphere of influence of each city, and each special district subject to the jurisdiction of the commission, within the county.

(3) The act authorizes a petitioner or legislative body ~~desiring~~ to initiate proceedings before the commission to submit an application to the executive officer of the principal county, and requires the executive officer, immediately after receiving an application and before issuing a certificate of filing, to give mailed notice that the application has been received to specified agencies, as specified.

This bill would correct ~~an incorrect~~ a cross-reference in these provisions.

(4) The act ~~also~~ authorizes the commission to approve proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission. The act requires a local agency formation commission to comply with certain procedural requirements prior to ordering a change of organization or reorganization, including, among others, requiring voter approval of a change of organization or reorganization if certain requirements are met. *Existing law authorizes a commissioner to, without notice and hearing, make determinations with regard to approval or disapproval of a proposal for an annexation, detachment, or reorganization that consists solely of annexations or detachments, or both, and of a county service area.*

This bill would revise and recast those provisions ~~to~~. *The bill would, among other things, specify that voter approval is required for a change of organization or reorganization that consists of an incorporation or disincorporation, and ~~provides~~ provide for specific protest standards for a change of organization that consists of a dissolution of a district, a consolidation of 2 or more districts, certain types of reorganizations, and the merger or establishment of a subsidiary district. The bill would authorize the waiver of protest proceedings under specified circumstances, and would set forth procedures that apply to those waivers, including the mailing of specified notices. The bill would exempt from voter approval a change of organization that consists of a dissolution, except if the proposal meets certain requirements, subject to protest procedures.*

(5) The act provides that if a commission has initiated a change of organization or reorganization that affects more than one special district, the commission may utilize and is encouraged to utilize a reorganization committee to review the proposal.

This bill would revise and recast that provision.

(6) The act requires a commission to order the consolidation of districts, dissolution, merger, the establishment of a subsidiary district, or a reorganization that includes any of these changes of organization, without an election, as specified. The act exempts from these provisions, any proposal for a change of organization or reorganization submitted to a commission before January 1, 2003, where the Goleta Sanitary District or the Goleta West Sanitary district is an affected district, as specified.

This bill would repeal this exemption.

(7) *This bill would make other conforming changes to the act to implement these provisions.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 56375 of the Government Code is  
2 amended to read:  
3 56375. The commission shall have all of the following powers  
4 and duties subject to any limitations upon its jurisdiction set forth  
5 in this part:  
6 (a) (1) To review and approve with or without amendment,  
7 wholly, partially, or conditionally, or disapprove proposals for  
8 changes of organization or reorganization, consistent with written  
9 policies, procedures, and guidelines adopted by the commission.  
10 (2) The commission may initiate proposals by resolution of  
11 application for any of the following:  
12 (A) The consolidation of a district, as defined in Section 56036.  
13 (B) The dissolution of a district.  
14 (C) A merger.  
15 (D) The establishment of a subsidiary district.  
16 (E) The formation of a new district or districts.  
17 (F) A reorganization that includes any of the changes specified  
18 in subparagraph (A), (B), (C), (D), or (E).

1 (3) A commission may initiate a proposal described in paragraph  
2 (2) only if that change of organization or reorganization is  
3 consistent with a recommendation or conclusion of a study  
4 prepared pursuant to Section 56378, 56425, or 56430, and the  
5 commission makes the determinations specified in subdivision (b)  
6 of Section 56881.

7 (4) A commission shall not disapprove an annexation to a city,  
8 initiated by resolution, of contiguous territory that the commission  
9 finds is any of the following:

10 (A) Surrounded or substantially surrounded by the city to which  
11 the annexation is proposed or by that city and a county boundary  
12 or the Pacific Ocean if the territory to be annexed is substantially  
13 developed or developing, is not prime agricultural land as defined  
14 in Section 56064, is designated for urban growth by the general  
15 plan of the annexing city, and is not within the sphere of influence  
16 of another city.

17 (B) Located within an urban service area that has been delineated  
18 and adopted by a commission, which is not prime agricultural land,  
19 as defined by Section 56064, and is designated for urban growth  
20 by the general plan of the annexing city.

21 (C) An annexation or reorganization of unincorporated islands  
22 meeting the requirements of Section 56375.3.

23 (5) As a condition to the annexation of an area that is  
24 surrounded, or substantially surrounded, by the city to which the  
25 annexation is proposed, the commission may require, where  
26 consistent with the purposes of this division, that the annexation  
27 include the entire island of surrounded, or substantially surrounded,  
28 territory.

29 (6) A commission shall not impose any conditions that would  
30 directly regulate land use density or intensity, property  
31 development, or subdivision requirements.

32 (7) The decision of the commission with regard to a proposal  
33 to annex territory to a city shall be based upon the general plan  
34 and rezoning of the city. When the development purposes are not  
35 made known to the annexing city, the annexation shall be reviewed  
36 on the basis of the adopted plans and policies of the annexing city  
37 or county. A commission shall require, as a condition to  
38 annexation, that a city prezone the territory to be annexed or present  
39 evidence satisfactory to the commission that the existing  
40 development entitlements on the territory are vested or are already

1 at build-out, and are consistent with the city's general plan.  
2 However, the commission shall not specify how, or in what  
3 manner, the territory shall be prezoned.

4 (8) (A) Except for those changes of organization or  
5 reorganization authorized under Section 56375.3, and except as  
6 provided by subparagraph (B), a commission shall not approve an  
7 annexation to a city of any territory greater than 10 acres, or as  
8 determined by commission policy, where there exists a  
9 disadvantaged unincorporated community that is contiguous to  
10 the area of proposed annexation, unless an application to annex  
11 the disadvantaged unincorporated community to the subject city  
12 has been filed with the executive officer.

13 (B) An application to annex a contiguous disadvantaged  
14 community shall not be required if either of the following apply:

15 (i) A prior application for annexation of the same disadvantaged  
16 community has been made in the preceding five years.

17 (ii) The commission finds, based upon written evidence, that a  
18 majority of the registered voters within the affected territory are  
19 opposed to annexation.

20 (b) With regard to a proposal for annexation or detachment of  
21 territory to, or from, a city or district or with regard to a proposal  
22 for reorganization that includes annexation or detachment, to  
23 determine whether territory proposed for annexation or detachment,  
24 as described in its resolution approving the annexation, detachment,  
25 or reorganization, is inhabited or uninhabited.

26 (c) With regard to a proposal for consolidation of two or more  
27 cities or districts, to determine which city or district shall be the  
28 consolidated successor city or district.

29 (d) To approve the annexation of unincorporated, noncontiguous  
30 territory, subject to the limitations of Section 56742, located in the  
31 same county as that in which the city is located, and that is owned  
32 by a city and used for municipal purposes and to authorize the  
33 annexation of the territory without notice and hearing.

34 (e) To approve the annexation of unincorporated territory  
35 consistent with the planned and probable use of the property based  
36 upon the review of general plan and prezoning designations. No  
37 subsequent change may be made to the general plan for the annexed  
38 territory or zoning that is not in conformance to the prezoning  
39 designations for a period of two years after the completion of the  
40 annexation, unless the legislative body for the city makes a finding

1 at a public hearing that a substantial change has occurred in  
2 circumstances that necessitate a departure from the rezoning in  
3 the application to the commission.

4 (f) With respect to the incorporation of a new city or the  
5 formation of a new special district, to determine the number of  
6 registered voters residing within the proposed city or special district  
7 or, for a landowner-voter special district, the number of owners  
8 of land and the assessed value of their land within the territory  
9 proposed to be included in the new special district. The number  
10 of registered voters shall be calculated as of the time of the last  
11 report of voter registration by the county elections official to the  
12 Secretary of State prior to the date the first signature was affixed  
13 to the petition. The executive officer shall notify the petitioners of  
14 the number of registered voters resulting from this calculation.  
15 The assessed value of the land within the territory proposed to be  
16 included in a new landowner-voter special district shall be  
17 calculated as shown on the last equalized assessment roll.

18 (g) To adopt written procedures for the evaluation of proposals,  
19 including written definitions consistent with existing state law.  
20 The commission may adopt standards for any of the factors  
21 enumerated in Section 56668. Any standards adopted by the  
22 commission shall be written.

23 (h) To adopt standards and procedures for the evaluation of  
24 service plans submitted pursuant to Section 56653 and the initiation  
25 of a change of organization or reorganization pursuant to  
26 subdivision (a).

27 (i) To make and enforce regulations for the orderly and fair  
28 conduct of hearings by the commission.

29 (j) To incur usual and necessary expenses for the  
30 accomplishment of its functions.

31 (k) To appoint and assign staff personnel and to employ or  
32 contract for professional or consulting services to carry out and  
33 effect the functions of the commission.

34 (l) To review the boundaries of the territory involved in any  
35 proposal with respect to the definiteness and certainty of those  
36 boundaries, the nonconformance of proposed boundaries with lines  
37 of assessment or ownership, and other similar matters affecting  
38 the proposed boundaries.

39 (m) To waive the restrictions of Section 56744 if it finds that  
40 the application of the restrictions would be detrimental to the

1 orderly development of the community and that the area that would  
2 be enclosed by the annexation or incorporation is so located that  
3 it cannot reasonably be annexed to another city or incorporated as  
4 a new city.

5 (n) To waive the application of Section 22613 of the Streets and  
6 Highways Code if it finds the application would deprive an area  
7 of a service needed to ensure the health, safety, or welfare of the  
8 residents of the area and if it finds that the waiver would not affect  
9 the ability of a city to provide any service. However, within 60  
10 days of the inclusion of the territory within the city, the legislative  
11 body may adopt a resolution nullifying the waiver.

12 (o) If the proposal includes the incorporation of a city, as defined  
13 in Section 56043, or the formation of a district, as defined in  
14 Section 2215 of the Revenue and Taxation Code, the commission  
15 shall determine the property tax revenue to be exchanged by the  
16 affected local agencies pursuant to Section 56810.

17 (p) To authorize a city or district to provide new or extended  
18 services outside its jurisdictional boundaries pursuant to Section  
19 56133.

20 (q) To enter into an agreement with the commission for an  
21 adjoining county for the purpose of determining procedures for  
22 the consideration of proposals that may affect the adjoining county  
23 or where the jurisdiction of an affected agency crosses the boundary  
24 of the adjoining county.

25 (r) To approve with or without amendment, wholly, partially,  
26 or conditionally, or disapprove pursuant to this section the  
27 annexation of territory served by a mutual water company formed  
28 pursuant to Part 7 (commencing with Section 14300) of Division  
29 3 of Title 1 of the Corporations Code that operates a public water  
30 system to a city or special district. Any annexation approved in  
31 accordance with this subdivision shall be subject to the state and  
32 federal constitutional prohibitions against the taking of private  
33 property without the payment of just compensation. This  
34 subdivision shall not impair the authority of a public agency or  
35 public utility to exercise eminent domain authority.

36 SEC. 2. Section 56425 of the Government Code is amended  
37 to read:

38 56425. (a) In order to carry out its purposes and responsibilities  
39 for planning and shaping the logical and orderly development and  
40 coordination of local governmental agencies subject to the

1 jurisdiction of the commission to advantageously provide for the  
2 present and future needs of the county and its communities, the  
3 commission shall develop and determine the sphere of influence  
4 of each city and each special district, as defined by Section 56036,  
5 within the county and enact policies designed to promote the logical  
6 and orderly development of areas within the sphere.

7 (b) Prior to a city submitting an application to the commission  
8 to update its sphere of influence, representatives from the city and  
9 representatives from the county shall meet to discuss the proposed  
10 new boundaries of the sphere and explore methods to reach  
11 agreement on development standards and planning and zoning  
12 requirements within the sphere to ensure that development within  
13 the sphere occurs in a manner that reflects the concerns of the  
14 affected city and is accomplished in a manner that promotes the  
15 logical and orderly development of areas within the sphere. If an  
16 agreement is reached between the city and county, the city shall  
17 forward the agreement in writing to the commission, along with  
18 the application to update the sphere of influence. The commission  
19 shall consider and adopt a sphere of influence for the city consistent  
20 with the policies adopted by the commission pursuant to this  
21 section, and the commission shall give great weight to the  
22 agreement to the extent that it is consistent with commission  
23 policies in its final determination of the city sphere.

24 (c) If the commission's final determination is consistent with  
25 the agreement reached between the city and county pursuant to  
26 subdivision (b), the agreement shall be adopted by both the city  
27 and county after a noticed public hearing. Once the agreement has  
28 been adopted by the affected local agencies and their respective  
29 general plans reflect that agreement, then any development  
30 approved by the county within the sphere shall be consistent with  
31 the terms of that agreement.

32 (d) If no agreement is reached pursuant to subdivision (b), the  
33 application may be submitted to the commission and the  
34 commission shall consider a sphere of influence for the city  
35 consistent with the policies adopted by the commission pursuant  
36 to this section.

37 (e) In determining the sphere of influence of each local agency,  
38 the commission shall consider and prepare a written statement of  
39 its determinations with respect to each of the following:



1 (1) The present and planned land uses in the area, including  
2 agricultural and open-space lands.

3 (2) The present and probable need for public facilities and  
4 services in the area.

5 (3) The present capacity of public facilities and adequacy of  
6 public services that the agency provides or is authorized to provide.

7 (4) The existence of any social or economic communities of  
8 interest in the area if the commission determines that they are  
9 relevant to the agency.

10 (5) For an update of a sphere of influence of a city or special  
11 district that provides public facilities or services related to sewers,  
12 municipal and industrial water, or structural fire protection, that  
13 occurs pursuant to subdivision (g) on or after July 1, 2012, the  
14 present and probable need for those public facilities and services  
15 of any disadvantaged unincorporated communities within the  
16 existing sphere of influence.

17 (f) Upon determination of a sphere of influence, the commission  
18 shall adopt that sphere.

19 (g) On or before January 1, 2008, and every five years thereafter,  
20 the commission shall, as necessary, review and update each sphere  
21 of influence.

22 (h) In determining a sphere of influence, the commission may  
23 assess the feasibility of governmental reorganization of particular  
24 agencies and recommend reorganization of those agencies when  
25 reorganization is found to be feasible and if reorganization will  
26 further the goals of orderly development and efficient and  
27 affordable service delivery. The commission shall make all  
28 reasonable efforts to ensure wide public dissemination of the  
29 recommendations.

30 (i) When adopting, amending, or updating a sphere of influence  
31 for a special district, the commission shall do all of the following:

32 (1) Require existing districts to file written statements with the  
33 commission specifying the functions or classes of services provided  
34 by those districts.

35 (2) Establish the nature, location, and extent of any functions  
36 or classes of services provided by existing districts.

37 SEC. 3. Section 56658 of the Government Code is amended  
38 to read:

1 56658. (a) Any petitioner or legislative body desiring to initiate  
2 proceedings shall submit an application to the executive officer of  
3 the principal county.

4 (b) (1) Immediately after receiving an application and before  
5 issuing a certificate of filing, the executive officer shall give mailed  
6 notice that the application has been received to each ~~interested~~  
7 ~~agency and each subject~~ *affected* agency, the county committee  
8 on school district organization, and each school superintendent  
9 whose school district overlies the ~~subject area~~ *affected territory*.  
10 The notice shall generally describe the proposal and the affected  
11 territory. The executive officer shall not be required to give notice  
12 pursuant to this subdivision if a local agency has already given  
13 notice pursuant to subdivision (c) of Section 56654.

14 (2) It is the intent of the Legislature that an incorporation  
15 proposal shall be processed in a timely manner. With regard to an  
16 application that includes an incorporation, the executive officer  
17 shall immediately notify all affected local agencies and any  
18 applicable state agencies by mail and request the affected agencies  
19 to submit the required data to the commission within a reasonable  
20 timeframe established by the executive officer. Each affected  
21 agency shall respond to the executive officer within 15 days  
22 acknowledging receipt of the request. Each affected local agency  
23 and the officers and departments thereof shall submit the required  
24 data to the executive officer within the timelines established by  
25 the executive officer. Each affected state agency and the officers  
26 and departments thereof shall submit the required data to the  
27 executive officer within the timelines agreed upon by the executive  
28 officer and the affected state departments.

29 ~~(e)~~

30 (3) If a special district is, or as a result of a proposal will be,  
31 located in more than one county, the executive officer of the  
32 principal county shall immediately give the executive officer of  
33 each other affected county mailed notice that the application has  
34 been received. The notice shall generally describe the proposal  
35 and the affected territory.

36 ~~(d)~~

37 (c) Except when a commission is the lead agency pursuant to  
38 Section 21067 of the Public Resources Code, the executive officer  
39 shall determine within 30 days of receiving an application whether

1 the application is complete and acceptable for filing or whether  
2 the application is incomplete.

3 ~~(e)~~

4 (d) The executive officer shall not accept an application for  
5 filing and issue a certificate of filing for at least 20 days after giving  
6 the mailed notice required by subdivision (b). The executive officer  
7 shall not be required to comply with this subdivision in the case  
8 of an application which meets the requirements of Section ~~56663~~  
9 56662 or in the case of an application for which a local agency  
10 has already given notice pursuant to subdivision ~~(b)~~ (c) of Section  
11 56654.

12 ~~(f)~~

13 (e) If the appropriate fees have been paid, an application shall  
14 be deemed accepted for filing if no determination has been made  
15 by the executive officer within the 30-day period. An executive  
16 officer shall accept for filing, and file, any application submitted  
17 in the form prescribed by the commission and containing all of  
18 the information and data required pursuant to Section 56652.

19 ~~(g)~~

20 (f) When an application is accepted for filing, the executive  
21 officer shall immediately issue a certificate of filing to the  
22 applicant. A certificate of filing shall be in the form prescribed by  
23 the executive officer and shall specify the date upon which the  
24 proposal shall be heard by the commission. From the date of  
25 issuance of a certificate of filing, or the date upon which an  
26 application is deemed to have been accepted, whichever is earlier,  
27 an application shall be deemed filed pursuant to this division.

28 ~~(h)~~

29 (g) If an application is determined not to be complete, the  
30 executive officer shall immediately transmit that determination to  
31 the applicant specifying those parts of the application which are  
32 incomplete and the manner in which they can be made complete.

33 ~~(i)~~

34 (h) Following the issuance of the certificate of filing, the  
35 executive officer shall proceed to set the proposal for hearing and  
36 give published notice thereof as provided in this part. The date of  
37 the hearing shall be not more than 90 days after issuance of the  
38 certificate of filing or after the application is deemed to have been  
39 accepted, whichever is earlier. Notwithstanding Section 56106,

1 the date for conducting the hearing, as determined pursuant to this  
2 subdivision, is mandatory.

3 *SEC. 4. Section 56662 of the Government Code is amended to*  
4 *read:*

5 ~~56662. (a) The commission may make either of the following~~  
6 ~~determinations without notice and hearing:~~

7 ~~(1) Subject to the limitations of Section 56663, approval or~~  
8 ~~disapproval of a proposal for an annexation, detachment, or~~  
9 ~~reorganization which consists solely of annexations or detachments,~~  
10 ~~or both.~~

11 ~~(2) Subject to the limitations of Section 56663, approval or~~  
12 ~~disapproval of the formation of a county service area.~~

13 *56662. (a) If a proposal for an annexation, a detachment, or*  
14 *a reorganization consisting solely of annexations or detachments,*  
15 *or both, or formation of a county service area meets all of the*  
16 *following criteria, the commission may make determinations upon*  
17 *the proposal without notice and hearing and may waive protest*  
18 *proceedings entirely pursuant to Part 4 (commencing with Section*  
19 *57000):*

20 *(1) The territory is uninhabited.*

21 *(2) An affected local agency has not submitted a written demand*  
22 *for notice and hearing during the 10-day period as described in*  
23 *subdivision (c).*

24 *(3) The proposal meets either of the following criteria:*

25 *(A) The petition accompanying the proposal is signed by all of*  
26 *the owners of land within the affected territory.*

27 *(B) The proposal is accompanied by proof, satisfactory to the*  
28 *commission, that all the owners of land within the affected territory*  
29 *have given their written consent to the proposal.*

30 *(b) Except for the determinations authorized to be made by*  
31 *subdivision (a), the commission shall not make any determinations*  
32 *upon any proposal, plan of reorganization, or report and*  
33 *recommendation of a reorganization committee until after public*  
34 *hearing by the commission on that proposal, plan of reorganization,*  
35 *or report and recommendation of a reorganization committee.*

36 *(c) The commission shall not take any action on the petition or*  
37 *resolution of application for 10 days following the mailed notice*  
38 *required under subdivision (b) of Section 56658. Upon written*  
39 *demand by an affected local agency, filed with the executive officer*  
40 *during that 10-day period, the commission shall make*

1 *determinations upon the petition or resolution of application only*  
2 *after notice and hearing on the petition or resolution of application.*

3 *(d) If a proposal for an annexation, a detachment, or a*  
4 *reorganization consisting solely of annexations or detachments,*  
5 *or both, or formation of a county service area meets all of the*  
6 *following criteria, the commission may make determinations upon*  
7 *the proposal and waive protest proceedings entirely pursuant to*  
8 *Part 4 (commencing with Section 57000):*

9 *(1) The territory is uninhabited.*

10 *(2) The proposal is accompanied by proof, satisfactory to the*  
11 *commission, that all the owners of land within the affected territory,*  
12 *exclusive of land owned by a private railroad company, have given*  
13 *their written consent to the proposal and a private railroad*  
14 *company that is an owner of land within the affected territory has*  
15 *not submitted written opposition to the waiver of protest*  
16 *proceedings prior to the conclusion of the commission hearing.*

17 *(3) A subject agency has not submitted written opposition to a*  
18 *waiver of protest proceedings.*

19 *SEC. 5. Section 56663 of the Government Code is repealed.*

20 ~~56663. (a) If a petition for an annexation, a detachment, or a~~  
21 ~~reorganization consisting solely of annexations or detachments,~~  
22 ~~or both, or the formation of a county service area is signed by all~~  
23 ~~of the owners of land within the affected territory of the proposed~~  
24 ~~change of organization or reorganization, or if a resolution of~~  
25 ~~application by a legislative body of an affected district, affected~~  
26 ~~county, or affected city making a proposal for an annexation or~~  
27 ~~detachment, or for a reorganization consisting solely of annexations~~  
28 ~~or detachments, or both, or the formation of a county service area~~  
29 ~~is accompanied by proof, satisfactory to the commission, that all~~  
30 ~~the owners of land within the affected territory have given their~~  
31 ~~written consent to that change of organization or reorganization,~~  
32 ~~the commission may approve or disapprove the change of~~  
33 ~~organization or reorganization, without notice and hearing by the~~  
34 ~~commission. In those cases, the commission may also approve and~~  
35 ~~conduct proceedings for the change of organization or~~  
36 ~~reorganization under any of the following conditions:~~

37 ~~(1) Without notice and hearing.~~

38 ~~(2) Without an election.~~

39 ~~(3) Without notice, hearing, or an election.~~

~~(b) The executive officer shall give any affected agency mailed notice of the filing of the petition or resolution of application initiating proceedings by the commission. The commission shall not, without the written consent of the subject agency, take any further action on the petition or resolution of application for 10 days following that mailing. Upon written demand by an affected local agency, filed with the executive officer during that 10-day period, the commission shall make determinations upon the petition or resolution of application only after notice and hearing on the petition or resolution of application. If no written demand is filed, the commission may make those determinations without notice and hearing. By written consent, which may be filed with the executive officer at any time, a subject agency may do any of the following:~~

~~(1) Waive the requirement of mailed notice.~~  
~~(2) Consent to the commission making determinations without notice and hearing.~~

~~(3) Waive the requirement of mailed notice and consent to the commission making determinations without notice and hearing.~~

~~(c) In the case of uninhabited territory, the commission may waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely if both of the following apply:~~

~~(1) All the owners of land within the affected territory have given their written consent to the change of organization or reorganization, or in the case of private railroad companies, no private railroad company that is an owner of land within the affected territory has submitted written opposition to a waiver of protest proceedings prior to the conclusion of the commission hearing.~~

~~(2) No subject agency has submitted written opposition to a waiver of protest proceedings.~~

~~(d) In the case of inhabited city and district annexations or detachments, or both, the commission may waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely if both of the following conditions apply:~~

~~(1) The commission has provided written notice of commission proceedings to all registered voters and landowners within the affected territory and no written opposition from registered voters or landowners within the affected territory is received prior to the conclusion of the commission hearing. The written notice shall~~

1 ~~disclose to the registered voters and landowners that unless written~~  
2 ~~opposition is received regarding the proposal or the commission's~~  
3 ~~intention to waive protest proceedings, that there will be no~~  
4 ~~subsequent protest and election proceedings.~~

5 ~~(2) No subject agency has submitted written opposition to a~~  
6 ~~waiver of protest proceedings.~~

7 *SEC. 6. Section 56663 is added to the Government Code, to*  
8 *read:*

9 *56663. For a change of organization consisting of an*  
10 *annexation or a detachment, or a reorganization consisting solely*  
11 *of annexations or detachments, or both, or the formation of a*  
12 *county service area that would otherwise require the conduct of*  
13 *protest proceedings, the commission may waive protest proceedings*  
14 *pursuant to Part 4 (commencing with Section 57000) if all of the*  
15 *following have occurred:*

16 *(a) The mailed notice pursuant to Section 56157 has been given*  
17 *to landowners and registered voters within the affected territory.*

18 *(b) The mailed notice discloses to the registered voters and*  
19 *landowners that unless written opposition to the proposal is*  
20 *received before the conclusion of the commission proceedings on*  
21 *the proposal, the commission intends to waive protest proceedings.*  
22 *The notice shall disclose that there is potential for the extension*  
23 *or continuation of any previously authorized charge, fee,*  
24 *assessment, or tax by the local agency in the affected territory.*

25 *(c) Written opposition to the proposal from landowners or*  
26 *registered voters within the affected territory is not received before*  
27 *the conclusion of the commission proceedings on the proposal.*

28 ~~SEC. 4.~~

29 *SEC. 7. Section 56827 of the Government Code is amended*  
30 *to read:*

31 *56827. (a) Except as provided in subdivision (b), upon the*  
32 *presentation of any petition or applications making a proposal for*  
33 *a reorganization, the commission may take proceedings pursuant*  
34 *to Part 3 (commencing with Section 56650) without referring the*  
35 *proposal to a reorganization committee, as provided in this part.*

36 *(b) The commission may refer to a reorganization committee*  
37 *any incorporation proposal that includes, or may be modified to*  
38 *include, any of the following changes of organization affecting an*  
39 *independent special district: consolidation, dissolution, formation,*  
40 *merger, or establishment of a subsidiary district.*

1 (c) If the commission has initiated a change of organization or  
2 reorganization that affects more than one special district, the  
3 commission may, and is encouraged to, utilize a reorganization  
4 committee to review the proposal.

5 ~~SEC. 5.~~

6 *SEC. 8.* Section 56853 of the Government Code is amended  
7 to read:

8 56853. (a) If a majority of the members of each of the  
9 legislative bodies of two or more local agencies adopt substantially  
10 similar resolutions of application making proposals either for the  
11 consolidation of districts or for the reorganization of all or any  
12 part of the districts into a single local agency, the commission shall  
13 approve, or conditionally approve, the proposal.

14 (b) Except as provided in subdivision (d), a commission may  
15 order any material change in the provisions or the terms and  
16 conditions of the consolidation or reorganization, as set forth in  
17 the proposals of the local agencies. The commission shall direct  
18 the executive officer to give each subject agency mailed notice of  
19 any change prior to ordering a change. The commission shall not,  
20 without the written consent of all subject agencies, take any further  
21 action on the consolidation or reorganization for 30 days following  
22 that mailing. Upon written demand by any subject agency, filed  
23 with the executive officer during that 30-day period, the  
24 commission shall make determinations upon the proposals only  
25 after notice and hearing on the proposals. If no written demand is  
26 filed, the commission may make those determinations without  
27 notice and hearing. The application of any provision of this  
28 subdivision may be waived by consent of all of the subject  
29 agencies.

30 (c) The commission shall not order a material change in the  
31 provisions of a consolidation or reorganization, as set forth in the  
32 proposals of the local agencies pursuant to subdivision (a), that  
33 would add or delete districts without the written consent of the  
34 applicant local agencies.

35 ~~SEC. 6.~~

36 *SEC. 9.* Section 56854 of the Government Code is repealed.

37 ~~SEC. 7.~~

38 *SEC. 10.* Section 57077 of the Government Code is amended  
39 to read:



1 57077. If a change of organization consists of an incorporation  
2 or disincorporation, or if a reorganization includes an incorporation  
3 or disincorporation, the commission shall order the change of  
4 organization or reorganization subject to confirmation of the voters.  
5 A protest proceeding shall not be conducted.

6 SEC. 8. ~~Section 57077.1 is added to the Government Code, to~~  
7 ~~read:~~

8 ~~57077.1. Notwithstanding Section 57102, if a change of~~  
9 ~~organization consists of the dissolution of a district that is~~  
10 ~~consistent with a prior action of the commission pursuant to Section~~  
11 ~~56378, 56425, or 56430, the commission may do either of the~~  
12 ~~following:~~

13 ~~(a) If the dissolution is initiated by the district board,~~  
14 ~~immediately approve and order the dissolution without an election~~  
15 ~~or protest proceedings pursuant to this part.~~

16 ~~(b) If the dissolution is initiated by an affected local agency, by~~  
17 ~~the commission pursuant to Section 56375, or by petition pursuant~~  
18 ~~to Section 56650, order the dissolution after holding at least one~~  
19 ~~noticed public hearing, and after conducting protest proceedings~~  
20 ~~in accordance with this part. Notwithstanding any other law, the~~  
21 ~~commission shall terminate proceedings if a majority protest exists~~  
22 ~~in accordance with Section 57078. If a majority protest is not~~  
23 ~~found, the commission shall order the dissolution without an~~  
24 ~~election.~~

25 SEC. 11. *Section 57077.1 is added to the Government Code,*  
26 *to read:*

27 *57077.1. (a) If a change of organization consists of a*  
28 *dissolution, the commission shall order the dissolution without*  
29 *confirmation of the voters, except if the proposal meets the*  
30 *requirements of subdivision (b), the commission shall order the*  
31 *consolidation subject to confirmation of the voters.*

32 *(b) The commission shall order the dissolution subject to the*  
33 *confirmation of the voters as follows:*

34 *(1) If the proposal was not initiated by the commission, and if*  
35 *a subject agency has not objected by resolution to the proposal,*  
36 *the commission has found that protests meet one of the following*  
37 *protest thresholds:*

38 *(A) In the case of inhabited territory, protests have been signed*  
39 *by either of the following:*

1 (i) At least 25 percent of the number of landowners within the  
2 affected territory who own at least 25 percent of the assessed value  
3 of land within the territory.

4 (ii) At least 25 percent of the voters entitled to vote as a result  
5 of residing within or owning land within, the affected territory.

6 (B) In the case of a landowner-voter district, that the territory  
7 is uninhabited and that protests have been signed by at least 25  
8 percent of the number of landowners within the affected territory  
9 owning at least 25 percent of the assessed value of land within the  
10 territory.

11 (2) If the proposal was not initiated by the commission, and if  
12 a subject agency has objected by resolution to the proposal, written  
13 protests have been submitted as follows:

14 (A) In the case of inhabited territory, protests have been signed  
15 by either of the following:

16 (i) At least 25 percent of the number of landowners within any  
17 subject agency within the affected territory who own at least 25  
18 percent of the assessed value of land within the territory.

19 (ii) At least 25 percent of the voters entitled to vote as a result  
20 of residing within, or owning land within, any subject agency  
21 within the affected territory.

22 (B) In the case of a landowner-voter district, that the territory  
23 is uninhabited and protests have been signed by at least 25 percent  
24 of the number of landowners within any subject agency within the  
25 affected territory, owning at least 25 percent of the assessed value  
26 of land within the subject agency.

27 (3) If the proposal was initiated by the commission, and  
28 regardless of whether a subject agency has objected to the proposal  
29 by resolution, written protests have been submitted that meet the  
30 requirements of Section 57113.

31 (c) Notwithstanding subdivisions (a) and (b) and Section 57102,  
32 if a change of organization consists of the dissolution of a district  
33 that is consistent with a prior action of the commission pursuant  
34 to Section 56378, 56425, or 56430, the commission may do either  
35 of the following:

36 (1) If the dissolution is initiated by the district board,  
37 immediately approve and order the dissolution without an election  
38 or protest proceedings pursuant to this part.

39 (2) If the dissolution is initiated by an affected local agency, by  
40 the commission pursuant to Section 56375, or by petition pursuant

1 *to Section 56650, order the dissolution after holding at least one*  
2 *noticed public hearing, and after conducting protest proceedings*  
3 *in accordance with this part. Notwithstanding any other law, the*  
4 *commission shall terminate proceedings if a majority protest exists*  
5 *in accordance with Section 57078. If a majority protest is not*  
6 *found, the commission shall order the dissolution without an*  
7 *election.*

8 ~~SEC. 9.~~

9 *SEC. 12.* Section 57077.2 is added to the Government Code,  
10 to read:

11 57077.2. (a) If the change of organization consists of a  
12 consolidation of two or more districts, the commission shall order  
13 the consolidation without confirmation by the voters, except that  
14 if the proposal meets the requirements of subdivision (b), the  
15 commission shall order the consolidation subject to confirmation  
16 of the voters.

17 (b) The commission shall order the consolidation subject to the  
18 confirmation of the voters as follows:

19 (1) If the commission has approved a proposal submitted by  
20 resolution of a majority of the members of the legislative bodies  
21 of two or more local agencies pursuant to Section 56853, and the  
22 commission has found that protests meet one of the following  
23 protest thresholds:

24 (A) In the case of inhabited territory, protests have been signed  
25 by either of the following:

26 (i) At least 25 percent of the number of landowners within the  
27 territory subject to the consolidation who own at least 25 percent  
28 of the assessed value of land within the territory.

29 (ii) At least 25 percent of the voters entitled to vote as a result  
30 of residing within, or owning land within, the territory.

31 (B) In the case of a landowner-voter district, the territory is  
32 uninhabited and protests have been signed by at least 25 percent  
33 of the number of landowners within the territory subject to the  
34 consolidation, owning at least 25 percent of the assessed value of  
35 land within the territory.

36 (2) If the commission has approved a proposal not initiated by  
37 the commission and if a subject agency has not objected by  
38 resolution to the proposal, written protests have been submitted  
39 that meet the requirements specified in subparagraph (A) or (B)  
40 of paragraph (1).

(3) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory.

(B) In the case of a landowner-voter district, the territory is uninhabited, and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(4) If the commission has approved a proposal initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

~~SEC. 10.~~

*SEC. 13.* Section 57077.3 is added to the Government Code, to read:

57077.3. (a) If a proposal consists of a reorganization not described in Section 57075, ~~57075.5~~, 57076, 57077, 57077.4, or 57111, the commission shall order the reorganization without confirmation by the voters except that if the reorganization meets the requirements of subdivision (b), the commission shall order the reorganization subject to confirmation of the voters.

(b) The commission shall order the reorganization subject to confirmation of the voters as follows:

(1) If the commission has approved a proposal submitted by resolution of a majority of the members of the legislative bodies of two or more local agencies pursuant to Section 56853, and the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by *either of the following*:

1 (i) At least 25 percent of the number of landowners within the  
2 affected territory who own at least 25 percent of the assessed value  
3 of land within the territory.

4 (ii) At least 25 percent of the voters entitled to vote as a result  
5 of residing within, or owning land within, the affected territory.

6 (B) In the case of a landowner-voter district, that the territory  
7 is uninhabited, and that protests have been signed by at least 25  
8 percent of the number of landowners within the affected territory,  
9 owning at least 25 percent of the assessed value of land within the  
10 territory.

11 (2) If the commission has approved a proposal not initiated by  
12 the commission, and if a subject agency has not objected by  
13 resolution to the proposal, a written protest has been submitted  
14 that meets the requirements specified in subparagraph (A) or (B)  
15 of paragraph (1).

16 (3) If the commission has approved a proposal not initiated by  
17 the commission, and if a subject agency has objected by resolution  
18 to the proposal, written protests have been submitted as follows:

19 (A) In the case of inhabited territory, protests have been signed  
20 by either of the following:

21 (i) At least 25 percent of the number of landowners within any  
22 subject agency within the affected territory who own at least 25  
23 percent of the assessed value of land within the territory.

24 (ii) At least 25 percent of the voters entitled to vote as a result  
25 of residing within, or owning land within, *any subject agency*  
26 *within* the affected territory.

27 (B) In the case of a landowner-voter district, the territory is  
28 uninhabited, and protests have been signed by at least 25 percent  
29 of the number of landowners within any subject agency within the  
30 affected territory, owning at least 25 percent of the assessed value  
31 of land within the subject agency.

32 (4) If the commission has approved a proposal initiated by the  
33 commission, and regardless of whether a subject agency has  
34 objected to the proposal by resolution, written protests have been  
35 submitted that meet the requirements of Section 57113.

36 (c) This section shall not apply to reorganizations governed by  
37 Sections 56853.5 and 56853.6.

38 ~~SEC. 11.~~

39 *SEC. 14.* Section 57077.4 is added to the Government Code,  
40 to read:

1 57077.4. (a) If a reorganization consists of the dissolution of  
2 one or more districts and the annexation of all or substantially all  
3 the territory to another district not initiated pursuant to Section  
4 56853 or by the commission pursuant to Section 56375, the  
5 commission shall order the reorganization without confirmation  
6 by the voters except that if the reorganization meets the  
7 requirements of subdivision (b), the commission shall order the  
8 reorganization subject to confirmation by the voters.

9 (b) The commission shall order the reorganization subject to  
10 confirmation by the voters as follows:

11 (1) In the case of inhabited territory, protests have been signed  
12 by either of the following:

13 (A) At least 25 percent of the number of landowners within any  
14 subject agency within the affected territory who own at least 25  
15 percent of the assessed value of land within the territory.

16 (B) At least 25 percent of the voters entitled to vote as a result  
17 of residing within, or owning land within, any subject agency  
18 within the affected territory.

19 (2) In the case of a landowner-voter district, the territory is  
20 uninhabited, and protests have been signed by at least 25 percent  
21 of the number of landowners within any subject agency within the  
22 affected territory, owning at least 25 percent of the assessed value  
23 of land within the subject agency.

24 (3) If the reorganization has been initiated by the commission  
25 pursuant to Section 56375, protests have been submitted that meet  
26 the requirements of Section 57113.

27 ~~SEC. 12.~~

28 *SEC. 15.* Section 57081 of the Government Code is repealed.

29 *SEC. 16.* *Section 57102 of the Government Code is amended*  
30 *to read:*

31 57102. (a) In any resolution ordering a dissolution, the  
32 commission shall make findings upon one or more of the following  
33 matters:

34 (1) That the corporate powers have not been used, as specified  
35 in Section 56871, and that there is a reasonable probability that  
36 those powers will not be used in the future.

37 (2) That the district is a registered-voter district and is  
38 uninhabited.

39 (3) That the board of directors of the district has, by unanimous  
40 resolution, consented to the dissolution of the district.

1 (4) That the commission has authorized, pursuant to *subdivision*  
2 (a) of Section ~~56854~~ 57077.1, the dissolution of the district without  
3 an election.

4 (b) If the commission makes any of the findings specified in  
5 subdivision (a), the commission may, except as otherwise provided  
6 in Section 57103, order the dissolution of the district without  
7 election.

8 ~~SEC. 13.~~

9 *SEC. 17.* Section 57107 of the Government Code is amended  
10 to read:

11 57107. (a) In any resolution ordering a merger or establishment  
12 of a subsidiary district, the commission shall approve the change  
13 of organization without an election except that if the change of  
14 organization meets the requirements of subdivision (b), the  
15 commission shall order the change of organization subject to  
16 confirmation of the voters.

17 (b) The commission shall order the change of organization  
18 subject to confirmation of the voters within any subject agency as  
19 follows:

20 (1) If the proposal was not initiated by the commission, and if  
21 a subject agency has not objected by resolution to the proposal,  
22 the commission has found that protests meet one of the following  
23 protest thresholds:

24 (A) In the case of inhabited territory, protests have been signed  
25 by *either of the following*:

26 (i) At least 25 percent of the number of landowners within the  
27 affected territory who own at least 25 percent of the assessed value  
28 of land within the territory.

29 (ii) At least 25 percent of the voters entitled to vote as a result  
30 of residing within or owning land within, the affected territory.

31 (B) In the case of a landowner-voter district, that the territory  
32 is uninhabited and that protests have been signed by at least 25  
33 percent of the number of landowners within the affected territory  
34 owning at least 25 percent of the assessed value of land within the  
35 territory.

36 (2) If the proposal was not initiated by the commission, and if  
37 a subject agency has objected by resolution to the proposal, written  
38 protests have been submitted as follows:

39 (A) In the case of inhabited territory, protests have been signed  
40 by either of the following:

1 (i) At least 25 percent of the number of landowners within any  
2 subject agency within the affected territory who own at least 25  
3 percent of the assessed value of land within the territory.

4 (ii) At least 25 percent of the voters entitled to vote as a result  
5 of residing within, or owning land within, any subject agency  
6 within the affected territory.

7 (B) In the case of a landowner-voter district, that the territory  
8 is uninhabited and protests have been signed by at least 25 percent  
9 of the number of landowners within any subject agency within the  
10 affected territory, owning at least 25 percent of the assessed value  
11 of land within the subject agency.

12 (3) If the proposal was initiated by the commission, and  
13 regardless of whether a subject agency has objected to the proposal  
14 by resolution, written protests have been submitted that meet the  
15 requirements of Section 57113.

16 (c) Notwithstanding subdivision (a) or (b), the commission shall  
17 not order the merger or establishment of a subsidiary district  
18 without the consent of the subject city.

19 ~~SEC. 14.~~

20 *SEC. 18.* Section 57113 of the Government Code is amended  
21 to read:

22 57113. Notwithstanding Section 57102, 57108, or 57111, for  
23 any proposal that was initiated by the commission pursuant to  
24 subdivision (a) of Section 56375, the commission shall forward  
25 the change of organization or reorganization for confirmation by  
26 the voters if the commission finds either of the following:

27 (a) In the case of inhabited territory, protests have been signed  
28 by either of the following:

29 (1) At least 10 percent of the number of landowners within any  
30 subject agency within the affected territory who own at least 10  
31 percent of the assessed value of land within the territory. However,  
32 if the number of landowners within a subject agency is less than  
33 300, the protests shall be signed by at least 25 percent of the  
34 landowners who own at least 25 percent of the assessed value of  
35 land within the territory of the ~~affected district~~ *subject agency*.

36 (2) At least 10 percent of the voters entitled to vote as a result  
37 of residing within, or owning land within, any a subject agency  
38 within the affected territory. However, if the number of voters  
39 entitled to vote within subject agency is less than 300, the protests  
40 shall be signed by at least 25 percent of the voters entitled to vote.



(b) In the case of a landowner-voter district, that the territory is uninhabited and protests have been signed by at least 10 percent of the number of landowners within any subject agency within the affected territory, owning at least 10 percent of the assessed value of land within the territory. However, if the number of voters entitled to vote within a subject agency is less than 300, protests shall be signed by at least 25 percent of the voters entitled to vote.

~~SEC. 15.~~

*SEC. 19.* Section 57114 of the Government Code is repealed.

*SEC. 20.* *Section 57114.5 of the Government Code is amended to read:*

57114.5. (a) Notwithstanding *subdivision (a) of Section 57077.1 and Sections 56854, 57077.4 and 57111, and 57114*, for any proposal involving the dissolution of the Newhall County Water District, the commission shall forward the change of organization or reorganization for confirmation by the voters if the commission finds that a petition requesting that the proposal be submitted to confirmation by the voters has been signed by either:

(1) At least 10 percent of the number of voters entitled to vote as a result of residing within the district.

(2) At least 10 percent of the number of landowners within the district who own at least 10 percent of the assessed value of land within the district.

(b) If a petition that meets the requirements of this section has been submitted, the commission shall approve the proposal subject to confirmation by the voters of the district.